



CONNECTICUT TAX TOPICS



STATE OF CONNECTICUT

Department of Revenue Services

June 1999

Vol. 7 No. 2

CONN-TAX

To REACH CONN-TAX CALL:

1-800-382-9463 (IN-STATE)
OR

860-297-5962 (ANYWHERE)

Touch tone callers have several choices:

- For questions concerning the Connecticut individual income tax, including the status of your refund, **press 1 ***
- To order tax forms or publications, **press 2 ***
- If you are calling about a billing notice or if you would like account information, **press 3**
- For information on sales tax and information on how to register your new business, **press 4 ***
- If you are notifying the Department of a change of address or if you have a question on the renewal of your sales tax permit, **press 5 ***
- For directions to the regional offices, **press 6 ***
- To speak with a Taxpayer Services representative, **press 0**

If you are calling from a rotary dial telephone, you can reach us during our normal business hours (8:00 A.M. to 5:00 P.M.).

(* 24 hour service)

TDD/TT 860-297-4911

(Telecommunications Device for the Deaf users only)

TAX-FAX

If you have a fax machine with a handset, state tax forms and tax information notices can be obtained 24 hours a day by calling **860-297-5698**.

INTERNET

You can obtain tax forms and publications 24 hours a day from our site on the World Wide Web at:

www.state.ct.us/drs

DRS OFFICES

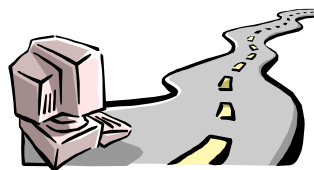
Visit our main office in Hartford or our field offices in Bridgeport, Hamden, Norwich or Waterbury weekdays, 8:00 A.M. - 5:00 P.M. For directions, call CONN-TAX and **Press 6**.

CONNECTICUT TAX TOPICS is a quarterly newsletter about sales and use taxes and other state taxes of interest to businesses. This newsletter is designed to provide general information for taxpayers and tax practitioners. It is not designed to explain in depth a current Department policy or practice affecting the liability of taxpayers. Nothing in this publication supersedes, alters or otherwise changes provisions of Connecticut General Statutes, regulations, Department rulings or tax information publications.

Sales and Use Tax Regulations Now Available On-line

New DRS sales and use tax regulations are now available on the DRS Web site. To view the new regulations on our Web site, go to:

www.state.ct.us/drs/regulations.html



The Regulations were submitted to the Office of Commission on Official Legal Publications on

April 7, 1999, and are effective July 1, 1999.

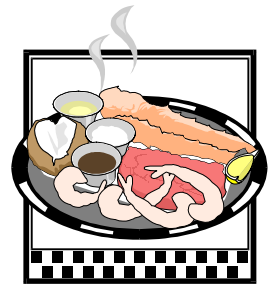
The new regulations will help you determine the taxability of enumerated services. These services include: photographic studio; motor vehicle parking; furniture reupholstering; lobbying or consulting; sales agents who sell tangible personal property; locksmith; landscaping and horticulture; window cleaning; maintenance and janitorial; exterminating; and swimming pool cleaning and maintenance.

In addition, the regulations address complex areas regarding services to other than commercial, industrial or income-producing real property (including contractor and subcontractor services); repair or maintenance services to tangible personal property (including repair services to motor vehicles, radio or television, furniture reupholstering and electrical and electronic devices); contracts of maintenance, repair or warranty; and resale of services.

Also available are the updated regulations for contractors and subcontractors (Conn. Agency Regs. 12-426-18). **T_T**

Exempt Purchases Of Meals By Exempt Organizations

Restaurant establishments have recently raised questions about the appropriate use of DRS Certificates when meals are purchased by tax exempt organizations. In general, restaurants are required to accept **CERT-112, Certificate for Exempt Qualifying Purchases of Meals and Lodging by an Exempt Organization or Qualifying Governmental Agency** as proof that an organization was exempt. This procedure remains in effect. However there is another reason a qualifying exempt organization may be entitled to purchase meals exempt from sales and use tax.



A qualifying exempt organization may purchase meals for resale at one of five fundraising or social events per year that are exempt from tax under Conn. Gen. Stat. §12-412(94). During an exempt one-day event held by the qualifying exempt organization, the organization may purchase meals exempt from sales and use tax by providing the restaurant establishment with a properly completed **CERT-119, Certificate for Purchases of Tangible Personal Property and Services By Qualified Exempt Organizations**. An exempt governmental agency may purchase meals for resale at one of five one-day fundraising or social events by providing the establishment with a properly completed **Governmental Agency Exemption Certificate**.

For further information, obtain **SN 98(11), Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fund-raising or Social Events; CERT-119; CERT-112; Governmental Agency Exemption Certificate**; or contact the DRS Taxpayer Services Division. **T_T**

The Mission of the Connecticut Department of Revenue Services is to administer the tax laws of the State of Connecticut and collect the tax revenues in the most cost effective manner; achieve the highest level of voluntary compliance through accurate, efficient and courteous customer services; and perform in a manner which instills public confidence in the integrity and fairness of the State's tax programs.

Businesses Benefit from Assisting Employees with Housing Expenses

Employers provide low-cost housing loans to their staff and in return, the state grants tax credits for the full amount loaned; then as employees repay the funds over time, the capital returns to the firm!

A total of \$1 million in credits is available to qualified corporations who



apply to the Connecticut Housing Finance Authority by November 1, 1999. The corporation must set up a revolving loan fund where its employees can borrow to meet specified housing costs. The loan fund must remain open for a minimum of five years; after that time, the capital invested returns to the firm.

The Connecticut Housing Finance Authority will be holding a seminar on June 17, 1999, which can show business how to save money while also helping their employees.

For further information, contact the Connecticut Housing Finance Authority at 860-721-9501 extension 362, 238 or 265. **T_T**

1999 Filing Season Another Record Setter!

The 1999 filing season was once again a record setter. As of early May, 1.4 million income tax returns were filed, a 4% increase over that same time in 1998. Non-paper filing grew 64% overall. With the expansion of the Telefile Program this year, the number of taxpayers using this system increased 93%. Electronic filing increased 38% and personal computer filing increased a whopping 2837%!!

Refund checks averaged \$390, up from \$350 in 1998, with over \$345.2 million refunded so far. DRS continued to improve the turnaround time, with 42% of refund checks issued within five to ten business days, up from 27% last year.

Nearly \$200 million in credit was given for property taxes to 71% of taxpayers who filed. This was up from 68% claiming the credit last year. DRS efforts to promote the property tax credit included the addition of a property tax credit calculator on its Web site. The calculator automatically calculated the property tax credit for the taxpayer.

During this 1999 filing season, representatives from the Agency's Taxpayer Services Division answered 71,233 phone calls with questions on Connecticut income taxes and assisted 18,125 walk-in taxpayers. **T_T**

The DRS New Haven Area Regional Office has Moved

The New Haven (Hamden) Regional Office of DRS moved its operations as of Friday, May 21. The office now has a new address and telephone number.

**3074 Whitney Avenue, Building 2
Hamden, CT 06518
203-287-8243**




Directions to the Hamden Regional Office, or any other DRS location, are available on the DRS Web site by selecting **Move Alert**. **T_T**

HARTFORD
25 Sigourney Street
Hartford CT 06106-5032
860-297-5962

BRIDGEPORT
10 Middle Street
Bridgeport CT 06610
203-579-6251

HAMDEN
3074 Whitney Avenue
Hamden CT 06518
203-287-8243

NORWICH
2 Cliff Street
Norwich CT 06360
860-889-2669

WATERBURY  *Moving in 1999, call before you visit.*
91 Schaffts Drive
Waterbury CT 06708
203-596-4310

DRS Announces New Tax Seminars

The Connecticut Department of Revenue Services is pleased to offer ***Understanding Connecticut Taxes Clearly***, a free program designed to provide a broad overview of Connecticut tax requirements for new and existing small businesses.

UC Taxes Clearly covers many topics of importance to business owners, including:

- **Registering for Connecticut tax purposes**
- **Connecticut income tax withholding**
- **Connecticut estimated income tax**
- **Sales tax**
- **Completing Connecticut tax returns**
- **Filing deadlines**
- **Other Connecticut tax topics**

Time is also allowed for questions and answers to address specific Connecticut tax issues. Classes are limited to 40 participants and preregistration is required for all sites. Programs are held from 6:30 p.m. to 9:00 p.m.

New classes for Fall 1999 have been scheduled. Please plan ahead and register now.

FALL 1999

NEW HAVEN	September 9
WINSTED	September 16
WATERFORD	September 23
ENFIELD	September 30
FARMINGTON	October 7
DANIELSON	October 14
DANBURY	October 21
MIDDLETOWN	October 28
NORWICH	November 4
NORWALK	November 18
WATERBURY	December 2
MANCHESTER	December 9

Make reservations to attend a ***UC Taxes Clearly*** seminar by contacting DRS:

TELEPHONE

(weekdays 8:00 a.m. to 5:00 p.m.)

860-297-5962 (Hartford area or out-of-state) or
1-800-382-9463 (in-state)

INTERNET

www.state.ct.us/drs/pubs/uctc.html **T_T**